

# The ROI of Change Intelligence®:

*How building change capability from the C-Suite to the Frontline resulted in a \$1.4M monetary gain*



While most leaders today are highly experienced with change, they are far less experienced with change done right. The path to change that sticks is littered with failure.<sup>1</sup> Yet, executives know successful and sustained implementation of organizational change is vital to thrive today and into the future.

Research shows that two of the top failure factors are insufficient senior leader championing and employee resistance to new ways of working<sup>2</sup>. Time and again, programs designed to build executive and employee change skills are ineffective at producing desired results. Instead change initiatives are plagued by disconnects across levels, lack of alignment, and no common language to foster collaboration and commitment.

One thing is certain: *organizations who master change remain relevant in a highly competitive, increasingly dynamic economic environment.*

The key is equipping your leaders-at-all-levels from the C-suite to the frontline with a set of change leadership skills that aren't derived from tactical change implementation techniques alone, but instead come from a methodology of *humanizing change* so that all experience a sense of joint ownership and personal commitment to the change efforts. We need to learn how to lead — not merely manage, and not reactively cope with — change. When everyone from the C-suite to the frontline knows how to engage the Heart (people and culture), enlighten the Head (purpose and goals), and equip the Hands (process and tools), change interventions have been shown to have a greater likelihood of success and reach the desired bottom-line outcomes.

In this study, we explored the ways in which humanizing change through the Heart, the Head, and the Hands helped one organization achieve their financial goals through a bold strategic transformation.

The following is a summary of the findings.



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<sup>1</sup> Robert Stise. Avoid These 5 Change Management Obstacles. <https://blog.prosci.com/avoid-these-change-management-obstacles>

<sup>2</sup> Boris Ewenstein, Smith, W. and Sologar, A. (2015). Changing Change Management. McKinsey. <https://www.mckinsey.com/featured-insights/leadership/changing-change-management>

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*Credit unions are about members, not bottom-line shareholders. At a credit union, you see a friendly face trying to get to know the person and not trying to get to bottom-line interest rates.*

— RVCU Board Member

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*We are moving forward quickly.*

— RVCU Staff

## The Challenge of Change

Rock Valley Credit Union impacts lives through the cooperative spirit of people helping people. By supplying loans at the lowest possible cost, paying a fair rate of return on savings, and providing helpful member services, the organization exceeds members' expectations.

Credit unions face fierce market competition. Consolidation by larger banking institutions that have deep pockets and vast resources, together with the advancement of Fintech and increased customer demand for products and services has put an immense amount of pressure on small credit unions to innovate to stay relevant. To survive, credit unions must find ways to reduce costs and streamline operations.<sup>3</sup>

Weighing demands required RVCU to close some branch/service locations to reduce operating costs and free-up reinvestment funds that could be allocated toward new technologies and services for their members and allow them to remain competitive. While this churn is a normal course of business for many organizations, for RVCU this change threatened employee spirit and morale. Their powerful mission of people helping people suddenly felt exposed and vulnerable — from the inside, out.

RVCU's benevolent-minded focus created a heart-centered culture within the organization. Employees had joined RVCU, and wanted to stay, because of the personal connections created, and the ability to advance their career by helping others.

Given the heart-centric culture, imagine the risk at stake when employees learned of the need to close branches. The risk of failure was especially high for RVCU.

Yet, this change was essential to manage the business. Profitability, relevance, and operating income were imperative to stay afloat as an organization.

*RVCU leadership needed to engage the employees in the difficult change ahead without impacting morale or failing to reach the financial objectives.*



<sup>3</sup> Cocheo, Steve (2020). New Challenges, Competitive Threats Sharing Financial Waters. The Financial Brand. <https://thefinancialbrand.com/82480/bank-credit-union-competition-innovation/>

## Leader Transformation

Over a period of a year, Dr. Barbara Trautlein, Principal and Founder of Change Catalysts designed and delivered a custom Change Intelligence®/CQ® Learning Journey, comprised of the CQ Assessment, CQ Workshops, and CQ-based coaching, for all leadership, employees, and Board Members at RVCU. Dr. Trautlein facilitated workshops to empower participants with unique insights about their own Change Intelligence and enable them to discover and explore their individual styles of navigating change (Figure 1). Coaching was also integrated on-the-job to proactively prepare to address potential obstacles that could detract from the ability to transfer the learnings to the workplace for impact and results.

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*I understand how many employees (and which ones) object to change and how to help them positively accept the why, how, etc. and move forward.*

— RVCU Leader

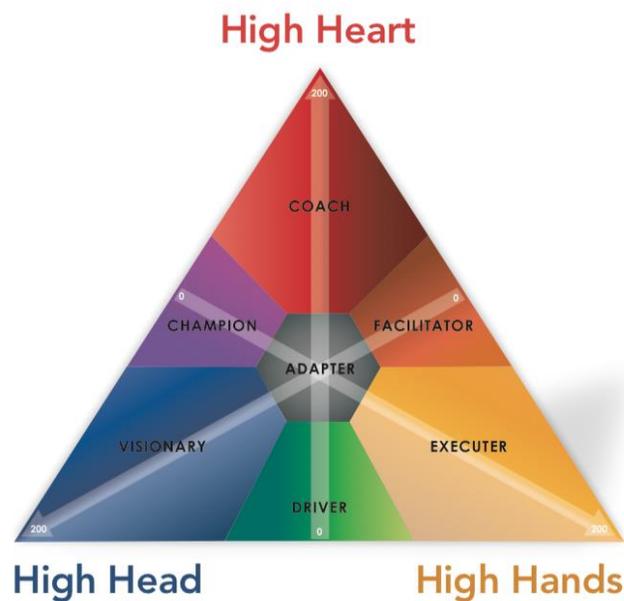


Figure 1. The Change Intelligence®/CQ® Model.

At a high-level, the top areas where leaders experienced growth in building Change Intelligence, as rated by their direct reports, was in the *how* of change (Figure 2).

These data suggest a compelling story: the leaders and culture were already “high Heart”, and what they desperately needed to achieve the bold strategic vision was to align all employees around *how* the changes were necessary to remain competitive (that is, to enlighten the Head) as well as to empower them to alter *how* they performed their jobs (that is, to equip the Hands) to enable RVCU to bring the transformation to life.



“ My leader does a wonderful job explaining in detail what we need to know about any upcoming change - what we need to be aware of. He also provides the tools and knowledge to be able to embrace these changes.  
— RVCU Staff

Specifically, leaders transformed in their ability to *equip others to behave consistently with the change* and *illustrate how the change will impact team objectives*.

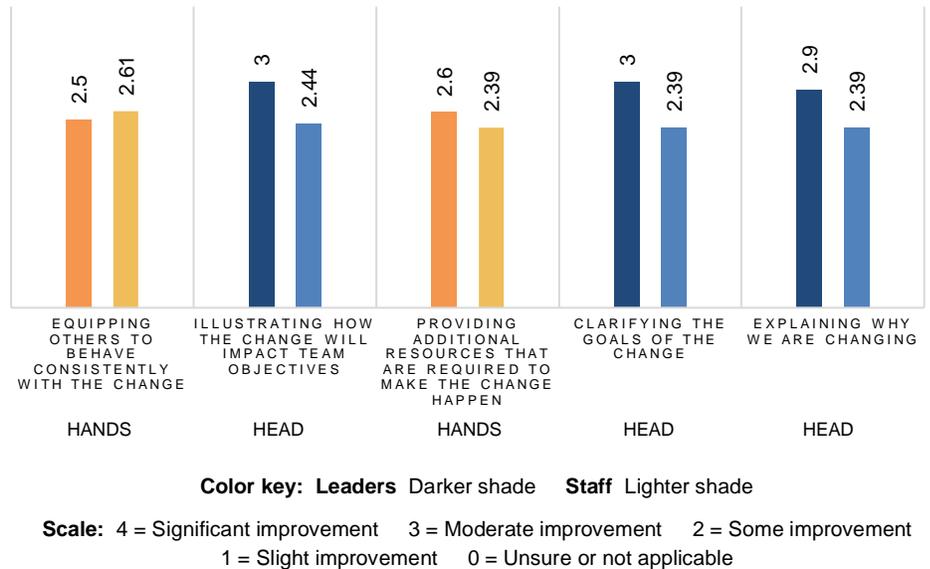


Figure 2. RVCU Leaders' top 5 transformations from Change Intelligence®/CQ® as rated by their direct reports.

The most significant gains were related to leading Heads and Hands through change, as rated by leaders' direct reports (Figure 2). The data bolsters the understanding of where the leadership team was in most need of growing their own capabilities, and the importance of that the growth related to effectively leading not only this change, but future changes in the organization.

The impact of the leaders' transformation was significant and resulted in a substantial monetary gain of \$1.4M.

Armed with their learnings, the leadership team underwent a remarkable transformation that reached far beyond their inner teams, and was experienced by the entire organization. Leaders fostered a change-capable environment and appropriately engaged and supported their staff towards a successful outcome, together.

Leaders found effective ways to communicate impending changes, and to do so in a way that allowed employees to feel positive about the path forward. Employees who would have left the organization because of the negative perception surrounding closing locations, instead re-engaged, aligning with the mission and purpose of the change. They found new roles within the organization and saved the company \$120,000 in avoided turnover costs.



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*I feel like the organization has done a great job keeping morale high.*

— RVCU Staff

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*I don't feel stuck or stalled.*

— RVCU Staff

Moreover, the strategic and thoughtful communication to the public allowed RVCU to avoid losing more member accounts. According to the CEO, the organization lost a mere .5%-1% of the accounts, and clearly acknowledge that if they had not handled the communication the way they did it might have been closer to 2%. The net effect was a savings of 130 accounts at an average value of \$9,797 and a net impact of \$1,273,610 in value retained (Table 1).

AREA	VALUE
<b>Cost Savings</b>	
Avoided Turnover	\$120,000
<b>Revenue Retention</b>	
Avoided Loss of Members	\$1,273,610
<b>Forecasted Revenue Gains</b>	
New Channel	Not Monetized
<b>TOTAL MONETARY GAINS + SAVINGS</b>	<b>\$1,393,610</b>

Table 1. Financial gains and savings and ROI of RVCU's investment in Change Intelligence®/CQ®.

The impact of building and leveraging CQ at RVCU was significant. The biggest changes occurred by helping leaders and staff embrace the *how* of change so they could continue to serve members and each other.

Change will always be challenging but, with proper understanding of how to lead change — not merely manage it, and not just reactively cope with it — we can steer it effectively. Using Change Intelligence, we can harness trepidation and turn it into motivation and anticipation. As we get smarter about leading ourselves and others through change, we travel in lockstep towards achieving greatness as a team. The competitive advantage of CQ is tangible, and so are the longstanding results.



## Change Catalysts, LLC Company Description

Change Catalysts, LLC, is the home of the CQ® System for developing Change Intelligence®. For over 30 years, we have collaborated with clients in a wide variety of industries around the world to catalyze transformational change, producing meaningful and measurable results. We partner with leaders-at-all levels to design and deliver customized solutions, which elevate organizational, team, and individual performance. Keeping our fingers on the pulse of global business trends through our innovative, proprietary research initiatives enables our strategies to be continually fresh, relevant, and grounded. Change Catalysts is a certified woman-owned business and a Qualified Education Provider with the Association for Talent Development (ATD), Association of Change Management Professionals (ACMP), the Human Resource Certification Institute (HRCI), the International Coaching Federation (ICF), the Project Management Institute (PMI), and the Society for Human Resource Management (SHRM).

